

LIE #7 - PEOPLE HAVE POTENTIAL

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Modern-day Talent Management is built upon three simple “truths.”

- 1) Every company needs a strong pipeline of talented individuals ready to take on higher or more critical roles.
- 2) We can assess the performance of individuals and ultimately identify people with “High Potential” to succeed in the future.
- 3) Every company has a limited budget when it comes to investing in people, so it makes sense to invest in the people with the “Highest Potential.”

These statements just seem like common sense. What company wouldn't want to make sure they are tapping into the fullest potential of all their people? Or what leader would want to risk missing the superstar hidden within their organization? The truth is that untapped potential is a horrible waste, not only for the individual, but also for the team and for the overall company.

For the longest time, I agreed with all three of these statements and never even thought to question any part of them. That is until I read the book, *Nine Lies About Work: A Freethinking Leader's Guide to the Real World*, by Marcus Buckingham and Ashley Goodall. *Nine Lies* uses research, data, and engaging stories to identify and dismantle some of the most common beliefs we hold about work and replaces them with simpler truths.

My personal belief is that every senior leader and HR manager needs to read *Nine Lies*, and that is why I am writing nine articles to share with you the nine different lies in the book. For example, this article will share Buckingham's reasoning on why trying to identify “High Potentials” is the wrong way to approach talent. My hope is that you buy this book and start challenging these nine lies in your team and in your organization.

How Can We Measure “Potential?”

Harvard Business Review defines High Potential employees as those employees who “consistently and significantly outperform their peer groups in a variety of settings and circumstances. They show a strong capacity to grow and succeed throughout their careers within an organization - more quickly and effectively than their peer groups do.” With that kind of definition, what manager wouldn't want more “High Potential” employees on their team, and what employee wouldn't want to be labelled as a “High Potential”?

Unfortunately, the idea of assessing someone's potential is whole lot easier than actually conducting the assessment. The reality is that assessing potential is full of problems and issues that are difficult to overcome. For example, here are the 3 biggest reasons why we can never truly know someone's potential:

Problem 1 - We Can't Predict Future Success

Assessing someone's potential rests on the assumption that we can predict their future success. The sad reality is that there are no reliable or accurate ways to predict the future performance of people. Qualities such as intelligence, drive, agility, or leadership all sound like good predictors of a person's potential success, but the evidence just isn't there. Sure, an extremely low intelligence might be a limiting factor in someone's success, but above a certain threshold, differences in intelligence do not correlate to differences in performance.

Problem 2 - Your Performance is Situational

Rating someone's potential assumes that potential is something that they have across many different situations or roles. It doesn't matter the circumstance; you still have potential. But in reality, your performance is heavily influenced by the situation you are in. If we put you in a situation that requires all your weakest traits, then you will probably struggle, no matter how much “potential” you have. On the flip side, if you take someone with little to no “potential,” and put them in a situation that perfectly aligns to their strengths, they are more likely to succeed.

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Problem 3 - People Struggle to Assess Abstract Concepts of Others

Countless research studies show that people are horrible at assessing qualities of other people. How similar the people are, if the person was recently nice to the assessor, and even the assessor's self-assessments have been shown to bias the assessment of an individual. In fact, *Nine Lies* dedicates one whole chapter to the Lie that people can reliably rate other people (Lie #6).

The best types of assessments are those that rely on observable behaviors of the person. Science shows we can reliably rate our own personal experiences. Unfortunately, someone's "potential" to be successful in the future isn't something you can observe or experience before it happens.

Stop Thinking of Potential. Instead, Focus on Momentum!

So, if potential can't really be measured in any meaningful way, what can we do? Do we just forget about identifying talented people? The answer isn't to stop looking for talented people to invest in, develop, and promote. We still need to do all of those things. So instead of trying to measure something that is immeasurable, we need to change how we measure talent.

As the alternative to "potential," *Nine Lies* introduces the concept of assessing someone's momentum. If you remember your high school physics, momentum is equal to the mass of something multiplied by its velocity. In human terms, your mass is made up of your traits and skills; those specific things that you bring to the table. On the other side, your velocity is comprised of your past and current performance. Basically, it is how successful have you been in your current role.

Unlike someone's potential, a person's mass (their skills and traits) and their velocity (their recent performance record) are both measurable. We can observe them and assess them with a reduced amount of bias. And best of all, mass and velocity are not fixed. One of the biggest drawbacks of "potential" is that it is very static. You either have it or you don't. But your traits/skills (your mass) and your performance (your velocity) are both things that you have some control over.

Momentum + Values is the Way Forward

My favorite aspect of the concept of Momentum is that it empowers employees and managers to grow and develop. It is a whole lot easier to help someone improve their traits, skills, and performance, than it is to try to improve their "potential." It is also better from the employee's perspective. Gone are the days of being judged on some intangible quality, and instead they are assessed based on things that they can impact.

Personally, I think that "potential" should be stricken from the tongues of every manager and HR leader, especially when it comes to making strategic talent decisions. Instead, I think that the company's values should replace "potential" as something we assess talent against. Too many people are assessed on "what" they accomplish, and little thought is given to "how" they accomplish it. But if we ignore the "how," we risk ending up with a selfish, me-first culture.

The truth is, we can't invest in everyone. We need to be able to differentiate between those people in whom we should invest, and those people who we should just appreciate for their contributions. We shouldn't stop trying to identify talent. But instead of using a flawed metric like "potential," let's use what we can measure: momentum (strengths x performance) and "how" a person accomplishes their goals (alignment to the company's values).

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